

# CALIFORNIA EMPLOYER

Third Quarter 2011

## Expanded e-Services for Business enrolls over 57,000

On March 1, 2011, the Employment Development Department (EDD) introduced its newly expanded e-Services for Business. More than 57,000 employers and/or their representatives have enrolled to use e-Services for Business.

Employers and/or agents who use these services can:

- Register for a payroll tax account.
- File returns/reports.
- Pay current deposits.
- Pay past liabilities.
- View rate information.
- Update address and account information.
- Have access 24 hours a day, 7 days a week.

We encourage all employers and/or their representatives to enroll and discover the benefits of this program. To enroll and help you navigate through our new services, we have created tutorials located on the e-Services for Business homepage <https://eddservices.edd.ca.gov>.

Users are required to install Microsoft Silverlight 4 or higher on their computer to take advantage of our new online services. Please be aware that certain older versions of Macs and Windows may not be able to support Silverlight 4.

### e-Services for Business Helpful Hints

**Username and Password** – A username (formerly "User ID") and password must be established when enrolling in e-Services for Business.

Employers who established a username and password prior to March 1, 2011, will be required to re-enroll in e-Services for Business. The username and password cannot be the same as each other, cannot be the same as the e-mail address, and cannot be the same as any other user.

Your username and password are used to login to e-Services for Business. Three unsuccessful login attempts will lock your account and you will need to call the Taxpayer Assistance Center at (888) 745-3886 to unlock the account.

**E-mail Address** – Your e-mail address must be unique; it cannot be used more than once.

**e-Services Authorization** – On the Account Summary page "Choose an additional question to answer," you must answer one of the following security questions:

- **Payment Amount** – Provide the total dollar amount from one of your last three submitted *Payroll Tax Deposit* (DE 88) coupons. If you pay by EFT, you must provide either the combined UI and ETT amounts or the combined SDI and PIT amounts.
- **Total Subject Wages** – Provide the Total Subject Wages amount from your last quarterly wage report.
- **Reserve Account Balance** – Provide the Re-

serve Account Balance amount found on your last *Notice of Contribution Rates and Statement of UI Reserve Account* (DE 2088).

- **New Employer** – Check the "I am a new employer who has not filed a return or made a payment" box.

**File a Return or Report of New Employees**

Select the employer payroll tax account number under "My Accounts" before selecting the "File a Return" or "File a Report of New Employee(s)" link.

**Original EFT and Credit Card Programs** – These programs are still available for making your DE 88 deposits. Access these programs at <https://eddservices.edd.ca.gov> and then select the appropriate link under "Vendor Payments for Payroll Tax Deposit" at the bottom of the page.

For more detailed information on reporting/payment options, the following information guides are available at [http://edd.ca.gov/Payroll\\_Taxes/Forms\\_and\\_Publications.htm](http://edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm):

**Taxes/Forms and Publications.htm:**

- *Electronic Funds Transfer Program Information Guide* (DE 27)
- *Electronic Filing Guide for the New Employee Reporting Program* (DE 340)
- *Electronic Filing Guide for the Independent Contractor Reporting Program* (DE 542M)
- *FSET Implementation Guide* (DE 545)
- *Electronic Filing Guide for the Quarterly Wage and Withholding Program* (DE 8300)

## Review Your Reserve Account Statement of Charges

In October 2011, an annual *Statement of Charges to Reserve Account* (DE 428T) will be mailed to you. This statement notifies you of the Unemployment Insurance (UI) benefit charges and credits to your reserve account during the fiscal year July 1, 2010 through June 30, 2011. Charges are itemized and based on the UI benefits paid to your former employees.

Charges to your reserve account may increase your UI contribution rate for the tax year 2012, so it is important to review your statement carefully and respond timely if you do not agree with the charges. You have 60 days from the mail date on your statement to protest any charges you

believe are incorrect. An extension of up to 60 days may be granted for good cause if your request is submitted before the protest deadline.

If you have address changes and/or agent updates, please inform the Employment Development Department immediately in order to receive your DE 428T.

For further information, please refer to the *Explanation and Instruction Sheet-Statement of Charges to Reserve Account* (DE 428C) included with the DE 428T, or call our Taxpayer's Assistance Center at (888) 745-3886. The DE 428C is also available at [www.edd.ca.gov/pdf\\_pub\\_ctr/de428c.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de428c.pdf).

## DOs & DON'Ts of DE 88s

Did you know that your *Payroll Tax Deposit* (DE 88) payments are opened by automated equipment? There are several things you can do to help us ensure that your payments are processed timely and promptly posted to your account!

### DO:

- Detach the voucher portion of your check and keep it for your records. Do not include it with your remittance.
- Use your DE 88 coupon and envelopes. EDD provides them at no cost to you and it makes our processing and your account statements more accurate. Order forms and envelopes at [www.edd.ca.gov/Forms/default.asp](http://www.edd.ca.gov/Forms/default.asp).
- Make sure your DE 88 coupon is complete by providing the pay date, the deposit schedule, quarter covered, and the deposit amounts.
- Consider electronic filings and payments. Electronic filings are available to all employers. Electronic filings and payments can save time, effort, and postage. Review your options at [eddservices.edd.ca.gov](http://eddservices.edd.ca.gov).

### DON'T:

- Staple or paper clip your check to the DE 88 coupon. Just send the two in the same envelope to avoid damage to the documents.
- Fold your check or the DE 88.
- Send your check with your *Quarterly Contribution Return and Report of Wages* (DE 9) or *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).

Your DE 88 should be mailed to:

Employment Development Department  
P.O. Box 826276  
Sacramento, CA 94230-6276

## Seminars Offer Employers Valuable Tax Help

We offer seminars on tax-related topics to help you understand and comply with California payroll tax laws. Some seminars are presented in partnership with federal or State agencies to provide information on related federal tax and labor law topics.

These courses are customized to benefit new employers, established businesses, bookkeepers, and payroll agents. Seminars are conducted at locations throughout the state with no charge to participants.

To view a list of topics, dates and locations, or to register for a seminar, go to [www.edd.ca.gov/Payroll\\_Tax\\_Seminars/](http://www.edd.ca.gov/Payroll_Tax_Seminars/) or call our Taxpayer Assistance Center at (888) 745-3886.

## Reminder – File Your DE 34 and DE 542

Employers are vital in the collection of information that is used to locate parents who are delinquent in their child support obligations.

The timely filing of the *Report of New Employee(s)* (DE 34) and *Report of Independent Contractor(s)* (DE 542) with the Employment Development Department (EDD) helps the Department of Child Support Services and the Department of Justice to assist the children of California.

### Report of New Employee(s) (DE 34)

Employers are required by law to report new or rehired employees who work in California to the New Employee Registry (NER) within twenty (20) days of their start-of-work date. The start-of-work date is the first day services were performed for wages.

#### How to Report:

Employers may use any of the following:

- Submit a DE 34 online by using EDD's **e-Services for Business** at <https://eddservices.edd.ca.gov>.
- Submit a paper DE 34, available online at [www.edd.ca.gov/pdf\\_pub\\_ctr/de34.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de34.pdf).
- Paper forms may be ordered online at [www.edd.ca.gov/Forms/default.asp](http://www.edd.ca.gov/Forms/default.asp).

For additional information, go to [www.edd.ca.gov/Payroll\\_Taxes/Required\\_Filings\\_and\\_Due\\_Dates.htm](http://www.edd.ca.gov/Payroll_Taxes/Required_Filings_and_Due_Dates.htm).

### Report of Independent Contractor(s) (DE 542)

Any business or government entity that is required to file a federal Form 1099-MISC for services received from an independent contractor is required to report specific independent contractor information to the EDD.

The independent contractor reporting requirements apply if you hire an independent contractor and the following statements all apply:

- You are required to file a Form 1099-MISC for the services performed by the independent contractor.
- You pay the independent contractor \$600 or more OR enter into a contract for \$600 or more.
- The independent contractor is an individual or sole proprietorship.

If all the above statements apply, you must report the independent contractor to EDD within 20 days of paying/contracting for \$600 or more in services. You are not required to report independent contractors that are corporations, general partnerships, limited liability partnerships, and limited liability companies.

#### How to Report:

Employers may use any of the following to report independent contractor information:

- Submit a DE 542 online using EDD's **e-Services for Business** at <https://eddservices.edd.ca.gov>.
- Submit a paper DE 542, available online at [www.edd.ca.gov/pdf\\_pub\\_ctr/de542.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de542.pdf).
- Paper forms may be ordered online at [www.edd.ca.gov/Forms/default.asp](http://www.edd.ca.gov/Forms/default.asp).

For additional information, go to [www.edd.ca.gov/Payroll\\_Taxes/Required\\_Filings\\_and\\_Due\\_Dates.htm](http://www.edd.ca.gov/Payroll_Taxes/Required_Filings_and_Due_Dates.htm)

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